

AMENDED IN SENATE AUGUST 29, 2011

AMENDED IN SENATE AUGUST 17, 2011

AMENDED IN SENATE JUNE 13, 2011

AMENDED IN ASSEMBLY APRIL 25, 2011

AMENDED IN ASSEMBLY APRIL 7, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 1097

Introduced by Assembly Member Skinner
(Coauthors: Assembly Members Dickinson and Wieckowski)

February 18, 2011

An act to add Section ~~13986~~ *14031.1* to the Government Code, relating to transit.

LEGISLATIVE COUNSEL'S DIGEST

AB 1097, as amended, Skinner. Transit projects: domestic content.

~~Existing law creates the Business, Transportation and Housing Agency with various departments of state government that report to the agency secretary. Existing law provides various sources of funding for transit projects.~~

This bill would ~~require the Secretary of Business, Transportation and Housing to~~ specifically authorize ~~a state or~~ *the state or a* local agency ~~receiving, relative to the use of~~ federal funds for transit purposes, to provide a bidding preference to a bidder if the bidder exceeds Buy America requirements applicable to federally funded transit projects, *as specified*.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
2 following:
- 3 (a) American manufacturing has been declining over the past
4 several years with jobs going overseas due to tax and other policies,
5 with predictable economic consequences. The federal “Buy
6 America” laws were passed as one means to address this concern.
- 7 (b) Public transit agencies in the state and nation continue to
8 provide critical transportation services to citizens, and remain
9 critical components for state and national goals to alleviate highway
10 gridlock, air pollution, and greenhouse gas emissions.
- 11 (c) Funding for public transit has continued to decline in difficult
12 economic times, and it remains difficult to keep public transit
13 systems in good repair, including maintaining and replacing rail
14 vehicles.
- 15 (d) Federal “Buy America” laws applicable to rolling stock,
16 including rail vehicles, require that the cost of components and
17 subcomponents produced in the United States total at least 60
18 percent of the cost of all components in the rolling stock, and that
19 final assembly of the rolling stock occur in the United States (49
20 U.S.C. Sec. 5323(j)(2)(C)).
- 21 (e) Federal “Buy America” regulations allow states to impose
22 contracting preference provisions based on more stringent domestic
23 content requirements than those set forth in the federal law, but
24 the Federal Transit Administration (FTA) will not participate in
25 the funding of state and local contracts with those preference
26 provisions if they are not explicitly set out under state law (49
27 C.F.R. 661.21). The State of California currently has no such
28 preference law.
- 29 (f) It is in the best interest of the State of California, as well as
30 the manufacturers across the nation, to authorize state and local
31 agencies to give preferences to bidders on rolling stock contracts
32 that provide domestic content above the minimum requirements
33 set forth in federal “Buy America” laws. Each state and local
34 agency should have the discretion to apply those preferences.

SEC. 2. Section ~~13986~~ 14031.1 is added to the Government Code, to read:

~~13986. The Secretary of Business, Transportation and Housing shall authorize a state or local agency receiving~~

14031.1. *In accordance with federal regulation (49 C.F.R. 661.21), the state or a local agency, relative to the use of federal funds for transit purposes, shall be authorized to provide a bidding preference to a bidder if the bidder exceeds Buy America requirements applicable to federally funded transit projects. The state and each local agency shall have the discretion to apply those preferences. The Department of General Services shall have the sole authority to establish policies and procedures for use of this section by state agencies, as defined in Section 11000.*